

FT PARTNERS FINTECH INDUSTRY RESEARCH

June 18, 2019



Razorpay Raises \$75 million in Series C Financing Led by Ribbit Capital and Sequoia Capital India

Ribbit Capital

SEQUOIA 

Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 17 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



The Information

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by The Information



Ranked #1 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 40"



THE M&A ADVISOR

Numerous Awards for Transaction Excellence including "Deal of the Decade"

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Transaction Overview

Transaction Summary

- On June 18, 2019, Razorpay announced that it has raised \$75 million in Series C financing
 - The round was led by Ribbit Capital and Sequoia Capital India
 - Existing investors Tiger Global Management and Y Combinator also participated in the round
- Razorpay plans to use the funding to develop new technologies and to scale up its two new businesses - lending arm Razorpay Capital and neobanking platform Razorpay X ⁽¹⁾
 - The Company will also use the financing to double its headcount to 700 by 2020 and hire senior members to lead different product verticals ⁽¹⁾
 - Additionally, the Company will be scouting for potential acquisition opportunities ⁽²⁾
 - Razorpay's 2.0 strategy, announced in late 2017, aims to establish the Company as a converged payment solutions platform, allowing clients to handle all aspects related to the flow of money ⁽²⁾
- Including this round, the Company's overall equity financing totals more than \$110 million
- While Razorpay declined to disclose the exact valuation, according to the Economic Times, people familiar with the round put the figure at around \$450 million
- Razorpay currently has about 350,000 merchants on its platform and aims to increase that number to 450,000 by 2020 ⁽²⁾

Transaction Commentary

"We started off with a purpose to solve the payment problems that the underserved markets like MSMEs faced. Our key mission is that while our partner businesses disrupt the Indian Economy with new ideas, products, experiences and new jobs, we want to power their financial systems. Today, over 350,000 disruptors have partnered with us to create the difference that we are here to make." ⁽¹⁾



Harshil Mathur
Co-Founder & CEO



"The digital payments market in India is massive. We are excited to be part of a company that is building trust between the consumers and the retailers to enable payments to flow faster and more efficiently in India." ⁽²⁾



Micky Malka
Managing Partner



"Sequoia has been an active investor in the payments space globally and every decade a multi-billion dollar company gets created. The one thing common across these companies is their maniacal focus on great products that solve a clear customer problem. When we spoke to various merchants in India, they unanimously vouched for Razorpay's product superiority and innovative offerings." ⁽²⁾



Ishaan Mittal
Principal



Razorpay Raises \$75 million in Series C Financing

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Razorpay Overview



Company Overview












CEO: Harshil Mathur
Headquarters: Bangalore, India
Founded: 2013

- **Razorpay is a developer of an online payment gateway designed to provide an affordable and secure platform for online payments**
- **The Company's platform provides developer-friendly APIs and hassle-free integration for businesses to manage marketplaces, automate NEFT/RTGS/IMPS bank transfers, collect recurring payments, and share invoices with customers**
- **Razorpay enables small businesses to accept, process and disburse payments with its product suite**

Selected Financing History

Date	Investors	Stage	Amount (\$ in mm)
06/18/19	Ribbit Capital, Sequoia Capital India, Tiger Global, Y Combinator	Series C	\$75
01/16/18	Tiger Global, Y Combinator, Matrix Partners India, Whiteboard Capital	Series B	20
07/01/16	Mastercard	Incubator	na
10/27/15	Tiger Global, Matrix Partners India, Y Combinator, GMO VenturePartners	Series A	12
04/01/15	Soma Capital, Matrix Partners India	Seed	3
03/23/15	Y Combinator	Incubator	<1

Products and Services

Accept Payments		
 Payment Gateway Easily add payments to websites for a seamless checkout experience	 Payment Links Share payment links via email, SMS, messenger and more	 Payment Pages Create custom pages to accept payments within a minute
 Subscriptions Create subscription plans with automated recurring transactions	 Smart Collect Generate virtual accounts and accept payments via NEFT, RTGS, and IMPS	 Invoices Create and send GST compliant invoices and get paid faster
Lending	Disbursals	Banking
 Razorpay Capital Get pre-approved loans and receive settlements within 12 working hours	 Route Split payments, make vendor payouts, manage marketplace money flow, and more	 RazorpayX Simplify and accelerate every aspect of banking operations



Ribbit Capital Overview

Overview

Ribbit Capital



Micky Malka
Founder &
Managing Partner



Nick Shalek
General Partner



Nikolay Kostov
General Partner



Cindy McAdam
Partner

Locations

- Palo Alto, CA (HQ)

About

- Founded in 2012 by Micky Malka
- Makes venture investments in finance-focused startups around the world
- Targets disruptive, early-stage companies that apply technology to the financial services industry
- Backed by a variety of institutional investors, including BBVA, Silicon Valley Bank and numerous high net-worth individuals
- Focuses on companies in the lending, payments, insurance, accounting, tax preparation and personal financial management verticals in financial technology

Investment Preferences

Investment Criteria

Fund Size:	\$420 mm
Fund Raised:	2018
Investment Range:	\$7 – 75 mm
Revenue:	NA
EBITDA:	NA

General Preferences ¹

Control:	Minority
Geography:	US, UK, Canada, Spain, Germany, Brazil, Turkey, South Africa
Transaction Type:	Venture
Industry Focus:	Financial Services, Financial Technology

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
06/18	Razorpay (Series C)	\$75	NA	Pymts
06/19	Brex (Series C1)	100	Micky Malka	Bnkg
05/19	Coalition (Growth)	40	NA	Ins
04/19	ZestMoney (Series B)	20	NA	Bnkg
04/19	Affirm (Series F)	300	NA	Bnkg
03/19	Warren (Early Stage VC)	6	NA	CapMkts
03/19	Point (Series B)	22	NA	Bnkg
02/19	Figure (Series B)	65	Micky Malka	Bnkg
02/19	Raisin (Series D)	114	NA	Bnkg
02/19	Jetty (Series B)	25	NA	Ins
12/18	Earnin (Later Stage VC)	125	NA	Bnkg
12/18	Juniper Square (Series B)	25	NA	BPO
12/18	Viva Republica (Later Stage VC)	80	NA	Pymts
12/18	Cross River Bank (Growth)	100	NA	Bnkg
11/18	Bonify (Series B)	NA	NA	Bnkg
11/18	Root Insurance (Series D)	100	NA	Ins
10/18	Uala (Series B)	34	NA	Bnkg
10/18	Dreamplug Technologies (Early Stage VC)	25	NA	Pymts
08/18	ZestMoney (Series A2)	13	NA	Bnkg
08/18	Upgrade (Series C1)	62	Micky Malka	Bnkg
07/18	Invoice2Go (Series C1)	10	Micky Malka	BPO

1) *Italics* indicate preferred control / geography.

2) * denotes M&A exit; ** denotes IPO exit.

3) Deal Amount in mm.

Razorpay Raises \$75 million in Series C Financing

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Sequoia Capital Overview



Overview



Roelof Botha
Partner



Patrick Grady
Partner



Douglas Leone
Partner



Michael Moritz
Partner



Jess Lee
Partner



Ishaan Mittal
Partner

Locations

- Menlo Park, CA
- Bengaluru, India
- Hong Kong
- Mumbai, India
- Beijing, China
- New Delhi, India
- Singapore
- Tel Aviv, Israel

About

- Founded in 1972 by Jon Valentine, Sequoia Capital has invested in some of the most prominent companies in the world including Apple, Google, Yahoo, Airbnb, Cisco and YouTube
- Particularly interested in the banking, brokerage and payments verticals within the FinTech sector
- Collectively, Sequoia's portfolio is worth 20% of the total value of the NASDAQ stock exchange

Investment Preferences

Investment Criteria

Funds Size:	\$8,000 mm (Global Growth Fund III) \$695 mm (India VI)
Funds Raised:	2018
Investment Range:	< \$100 mm
Revenue:	NA
EBITDA:	NA

General Preferences ¹

Control:	Minority
Geography:	U.S., Israel, China, India
Transaction Type:	Seed, Venture, Growth
Industry Focus:	Energy, Financial Services, Healthcare IT, Internet, Mobile, Outsourcing Technology

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
06/18	Razorpay (Series C)	\$75	NA	Pymts
05/19	UiPath (Growth)	568	Tom Mendoza	FMS
03/19	Airwallex (Series C)	100		Pymts
03/19	Finova Capital (Series B)	15	NA	Bnkg
03/19	Klarna AB (Growth)	na	Michael Moritz	Pymts
02/19	Clutter (Series D)	200	Omar Hamoui	Bnkg
02/19	Health Catalyst (Series F)	15	Michael Dixon	HCIT
01/19	Groww (Series A)	6	NA	CapMkts
01/19	Turtlemint (Growth)	25	NA	Ins
11/18	smallcase (Early Stage VC)	8	NA	CapMkts
11/18	Turtlemint (Early Stage VC)	6	NA	Ins
10/18	Ethos (Series B)	35	Roelof Botha	Ins
10/18	Cleartax (Series B)	54	NA	Bnkg
10/16	Numerify (Series D)	27	NA	FMS
10/11	Snowflake (Series F)	450	NA	Bnkg
07/18	Airwallex (Series B)	80	NA	Pymts
05/18	Robinhood (Series D)	363	NA	Sec
05/18	Decent (Seed)	6	NA	HCIT
04/18	Modalku (Series B)	25	NA	Bnkg
01/18	Snowflake (Series E)	264	NA	FMS
12/17	Airwallex (Series A)	13	NA	Pymts
10/17	Meituan-Dianping (Series C)	4,000	NA	Pymts

1) *Italics indicate preferred control / geography.*

2) * denotes M&A exit; ** denotes IPO exit.

3) Deal Amount in mm.

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



GoCardless' \$75.5 million Series E Financing



REPAY's Merger With Thunder Bridge



Marqeta's \$260 million Series E Financing



Checkout.com's \$230 million Series A Financing



Iyzico's \$165 million Sale to PayU



Nuvei Acquires SafeCharge for \$889 million



WorldRemit Raises \$175 million in Series D Financing



Global Payments Acquires TSYS for an Implied EV of \$25 billion



Transferwise Raises \$292 million in Financing

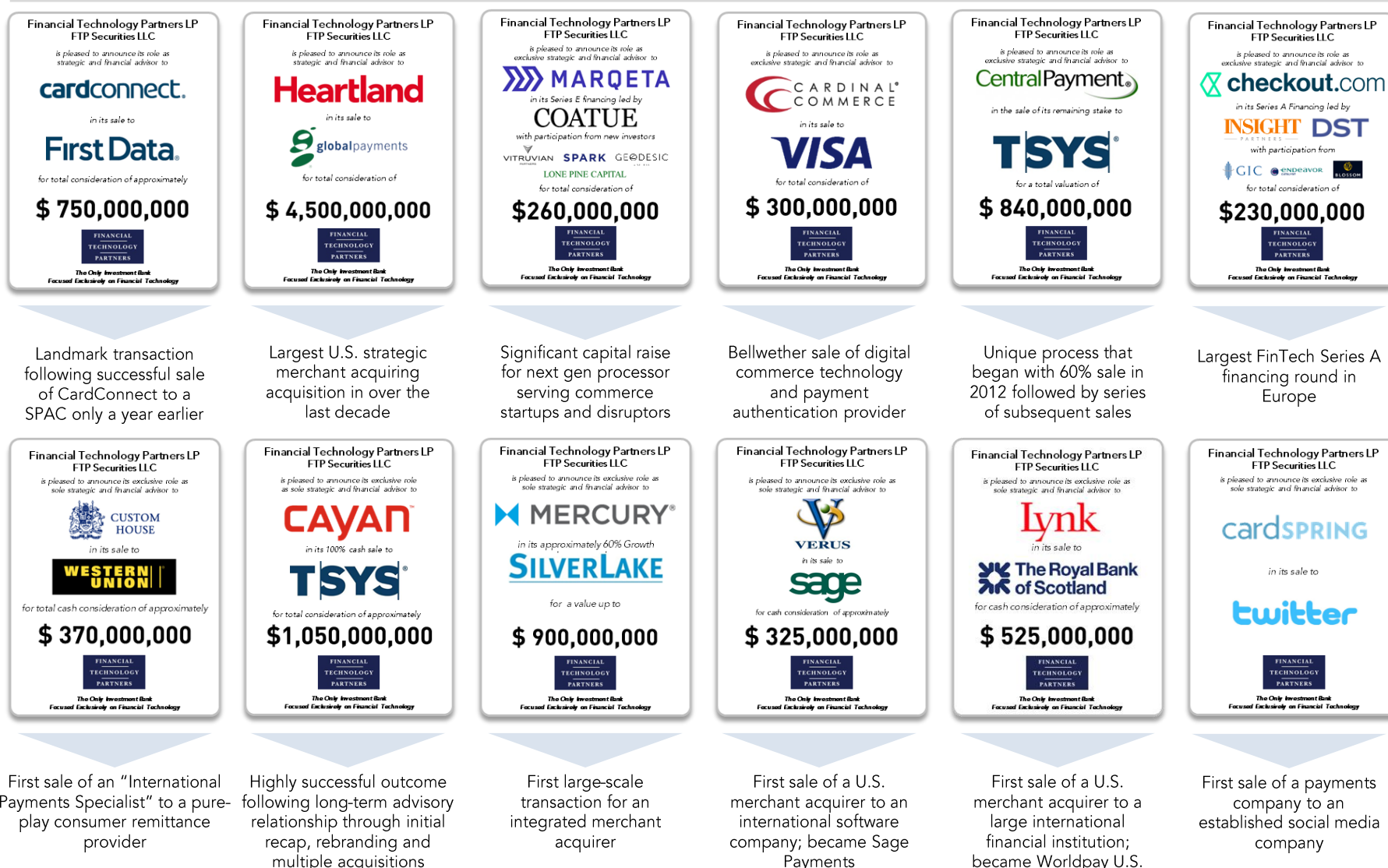
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FT Partners' International / Cross-Border Capabilities (Selected Examples)

FT Partners' global presence offers capabilities reaching far beyond North America, as demonstrated by our numerous international clients and successful transactions with international firms & investors

Target	Buyer / Investor	International Aspect
		
		
		
		
		
		
		
		
		
		
		
		
		
		
		
		

Ground-Breaking Payments Transactions Pioneered by FT Partners



FT Partners Advises iyzico on its \$165 million Sale to PayU

Overview of Transaction

- On June 11, 2019, PayU announced the acquisition of iyzico for a total consideration of \$165 million
 - The transaction is expected to close in the coming months, subject to regulatory approval
- Headquartered in Istanbul, Turkey, iyzico provides secure payments to over 300 marketplace merchants (with over 400,000 subsellers of different sizes) as well as 30,000 online merchants which are using its checkout solution
- PayU, the FinTech and electronic payments arm of internet and media conglomerate Naspers (JSE: NPN), is the leading online payment service provider in 18 high growth markets, dedicated to creating a fast, simple and efficient payment process for merchants and buyers
- With more than 250 payment methods, PayU has more than 1,800 payment specialists based in local markets supporting PayU's 300,000+ merchants and the millions of consumers making online payments

Significance of Transaction

- Complementing PayU's own digital offering, the deal will allow PayU to not only strengthen its presence in Turkey but accelerate its SMB business with iyzico's automated solutions and cross-border product suite
- The acquisition, which adds to PayU's \$500 million investment portfolio, is a further step in the Company's mission to become both the number one payments provider in every market in which it operates and the world's leading FinTech investor
- The acquisition will also allow PayU to consolidate its position as a leader in the Turkish payments space and accelerate scale and efficiency across its payments business in Europe, the Middle East and Africa (EMEA)
- iyzico's Series A round investors, including Speedinvest, realized an 11x return on their investment through the acquisition

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to iyzico
- The transaction highlights FT Partners' continued success advising leading Payments companies across emerging markets

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*is pleased to announce its role as
exclusive strategic and financial advisor to*

iyzico

in its sale to

PayU

for total consideration of

\$165,000,000

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FT Partners Advises Checkout.com on its \$230 million Series A Financing

Overview of Transaction

- On May 2, 2019, Checkout.com announced it has raised \$230 million in Series A financing led by Insight Partners and DST Global with participation from GIC, Endeavor Catalyst, Blossom Capital and other strategic investors
- This is the first financing round for Checkout.com since its foundation in 2012
- Headquartered in London, UK, Checkout.com offers the world's most comprehensive cross-border payment solution for digital commerce
 - The Company specializes in accepting, acquiring and processing international and local payments and also provides fraud management tools, analytics and comprehensive reporting features for merchants
 - Checkout.com is a direct acquirer of all major card schemes, accepting international cards, local card schemes and many of the most popular global alternative payment methods
 - Checkout.com handles every step of the payment process on a proprietary technology platform, so merchants benefit from feature parity across regions, faster processing speeds, greater reliability, and full data visibility

Significance of Transaction

- This financing will enable Checkout.com to continue its rapid growth in Europe, the US and the Middle East, with further expansion into Asia and Latin America
- This transaction is the largest ever Series A Financing round for a Technology or FinTech company in Europe

FT Partners' Role

- FT Partners served as sole strategic and financial advisor to Checkout.com
- This transaction underscores FT Partners' unparalleled track record in the Payments space and highlights the Firm's strong capabilities in finding the best investors for our clients worldwide

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*is pleased to announce its role as
exclusive strategic and financial advisor to*



in its Series A Financing led by



with participation from



for total consideration of

\$230,000,000



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FT Partners Advises PPRO on its \$50 million Minority Financing

Overview of Transaction

- On July 16, 2018, PPRO Group (“PPRO”) announced it has raised \$50 million in financing led by PayPal (Nasdaq:PYPL) with participation from Citi Ventures and return investor HPE Growth Capital
- Headquartered in London, UK, with several offices across Europe and the US, PPRO is leading the under-served alternative payments (acquiring) market
- As alternative payment methods (APMs) such as bank transfers, e-wallets and cash-based e-payments continue to become more popular, merchants are increasingly choosing payment partners based on the ever-expanding range of locally relevant payment methods available
- PPRO, through partnerships with leading payment service providers and financial institutions, provides a single platform and relationship for online merchants to accept more than 250 alternative payment options¹ globally
- PPRO also has a leading consumer digital account issuing business in Europe

Significance of Transaction

- Through this investment, PPRO plans to accelerate the expansion of its payments platform and international presence of its alternative payments acquiring business
- PPRO will also offer a suite of alternative payment methods to PayPal’s merchants through the new PayPal Smart Payment Buttons™ product

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to PPRO and its Board of Directors
- This transaction underscores FT Partners’ deep Payments domain expertise and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

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*is pleased to announce its exclusive role as
strategic and financial advisor to*



in its financing led by



with participation from



for total consideration of

\$ 50,000,000



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1. The number of alternative payments methods (APMs) calculated by breaking down by scheme, connecting bank and country

FT Partners Advises Stone on its Initial Public Offering

Overview of Transaction

- On October 25, 2018, StoneCo Ltd. (Nasdaq: STNE) priced its IPO at \$24 per share, raising approximately \$1.4 billion
 - High-profile new and existing investors participating in the IPO include Berkshire Hathaway, T. Rowe Price, Madrone Capital Partners, and Ant Financial
- Due to strong demand, the deal priced above the initial \$21 - \$23 filing range
- Stone is a leading provider of FinTech solutions that empower merchants and integrated partners to conduct electronic commerce seamlessly across in-store, online, and mobile channels in Brazil
 - Founded in only 2014, São Paulo-based Stone has quickly grown to serve over 230,000 active clients with a focus on SMBs
 - Within the first half of 2018, the Company processed over \$9 billion of transactions and posted revenue of \$171 million and net income of \$24 million

Significance of Transaction

- Stone's IPO is among the largest FinTech IPOs ever
- Demonstrates strong investor appetite for high growth FinTech companies globally
- Further supports FT Partners' continued success advising leading FinTech companies

FT Partners' Role

- FT Partners served as exclusive IPO Advisor to Stone on this transaction
- FT Partners also advised Stone on its \$145 million Series G financing in September 2017 as well as its \$100 million private placement with Ant Financial, which occurred concurrently with the IPO
- FT Partners leveraged its deep industry knowledge, extensive transaction expertise, and broad scope of relationships to achieve a highly favorable outcome for Stone

Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as
exclusive IPO Advisor to*

stone^{co.}

in its

\$1,400,000,000

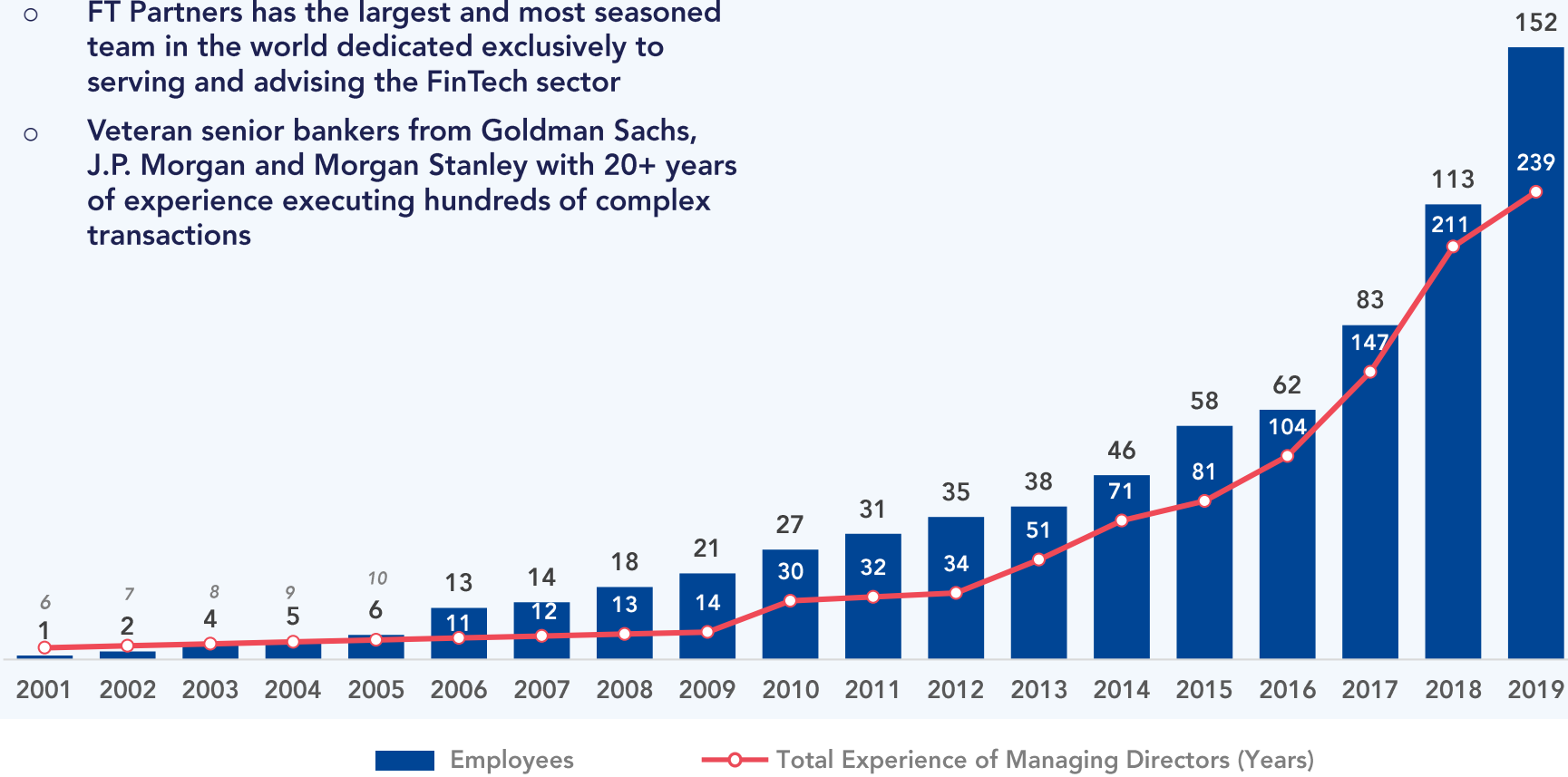
Initial Public Offering

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Platform of Choice for Clients and Bankers Alike

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	24
Mohit Agnihotri <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> Formerly Managing Director and Global Head of Payments Investment Banking at J.P. Morgan Wharton M.B.A. 	17
Kate Crespo <i>Managing Director</i>	RAYMOND JAMES®	<ul style="list-style-type: none"> Formerly with Raymond James' Technology & Services investment banking 12+ years of FinTech transaction execution experience Dartmouth M.B.A. 	17
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004 Wharton M.B.A. 	23
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly Managing Director and Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 	22
Andrew McLaughlin <i>Managing Director</i>	Deloitte.	<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	13
Mike Nelson <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly head of FinTech M&A at SunTrust Robinson Humphrey Kellogg M.B.A. 	19
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	16
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	23
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs from 2000-2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	17